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Western
Canadian Seed Processors
Ltd.

Report To Shareholders



ANNUAL MEETING
of
October 30, 1969

To The Shareholders:

To enable the Company to carry out a policy of expansion and acquisition, the shareholders approved resolutions allowing the Company to increase its common shares of no par value, from three to six million, and create one million preferred shares, with a par value of \$15.00 each. Several companies are presently under preliminary investigation.

The Company has also indicated its intention to become more involved with finished products. During the meeting the building of a high capacity margarine plant was announced. The building is now constructed and the installation of equipment is expected to begin in the near future. Cost of the plant is estimated at \$360,000. This project is scheduled for completion spring 1970.

Western Canadian Seed Processors continues to be the largest processor of rapeseed in Canada. Estimated rapeseed purchases during the current crop year are \$9 million.

Rapeseed oil and meal have undergone rapid acceptance in Canada and many other countries. As a result, company sales have substantially increased both domestically and abroad. A recent survey completed in Western Canada regarding salad and cooking oil sales, shows those manufactured from rapeseed enjoyed the most rapid growth.

Re-elected to the Board of Directors were, J. J. Banfield, S. B. Card, W. G. Clarke, J. J. O'Connor, R. M. Conrad, M. C. Herbst, H. H. Michael and T. Schoen. Elected as a Director for the first time was D. W. Hughes, C.A., the Company's Treasurer and Comptroller.

You will note your dividend cheque is enclosed. The Company has maintained its policy of paying a small dividend, and using surplus funds to assist in the Company's growth.

Lethbridge, Alberta
November 21, 1969.

H. H. MICHAEL,
President.

OPERATING RESULTS

(Unaudited)

For the Three Month Period Ended October 31, 1969

| | 1969 | 1968 |
|--------------------------------|--------------|--------------|
| Sales | \$ 3,265,684 | \$ 2,198,337 |
| Net Profit before income taxes | 249,414 | 174,072 |
| Income taxes: | | |
| Currently payable | 106,000 | 57,500 |
| Deferred to future years | 12,900 | 21,400 |
| Net Profit after income taxes | 118,900 | 78,900 |
| | \$ 130,514 | \$ 95,172 |

For the first quarter of the present fiscal year a net profit after taxes of \$130,514 or 5.1c per share was earned compared with \$95,172 or 3.7c per share during the same period a year ago.

This earnings increase of 37% was primarily due to increased sales and processing margins.